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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed  
as a separate compilation

MINISTRY OF FINANCE

(Department of Revenue and Insurance)

NOTIFICATION

INSURANCE

New Delhi, the 17th September 1975

**S.O. 521(E).**—Whereas the Central Government is of opinion that for the more efficient carrying on of general insurance business it is necessary so to do;

Now, therefore, in exercise of the powers conferred by clause (g) of sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme to provide for the rationalisation of pay scales and other terms and conditions of service of officers serving under insurers, namely:—

**1. Short title and commencement.**—(1) This Scheme may be called the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Officers) Scheme, 1975.

(2) It shall come into force on the 1st day of October, 1975.

2. **Application.**—The provisions herein contained shall apply to all Officers—

- (i) who were confirmed whole-time Officers as on the 31st day of December, 1972, of any of the Indian Insurance Companies or any existing insurer;
- (ii) who were temporary whole-time Officers as on the 31st day of December, 1972, of any of the Indian Insurance Companies or any existing insurer and confirmed before the commencement of this Scheme;
- (iii) who have been absorbed in or whose services have been transferred to, any of the Indian Insurance Companies or the Corporation before the commencement of this Scheme;
- (iv) who joined the service of any of the Indian Insurance Companies or the Corporation on or after the 1st day of January, 1973, and were confirmed as Officers before the commencement of this Scheme;
- (v) who are temporary whole-time officers or probationary Officers of the Corporation or of the Company at the commencement of this Scheme,

but shall not apply to persons—

- (a) on deputation to any of the Indian Insurance Companies or the Corporation and who, before the commencement of this Scheme, had opted for reversion, or had been reverted, to their parent office;
- (b) who are employed under specific contracts of employment;
- (c) who hold part-time employment;
- (d) who had retired, or resigned, or whose services had been terminated, before the commencement of this Scheme.

3. **Definitions.**—In this Scheme, unless the context otherwise requires—

- (a) "Act" means the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);
- (b) "basic pay" means the basic pay referred to in the First Schedule, or the Second Schedule, or the Third Schedule, as the case may be;
- (c) "Board" means the Board of Directors of the Corporation;
- (d) "Chairman" means—
  - (i) in relation to the Corporation, the Chairman or the Managing Director;
  - (ii) in relation to the Company, the Chairman-cum-Managing Director;
- (e) "Company" means the National Insurance Company Limited, the New India Assurance Company Limited, the Oriental Fire and General Insurance Company Limited, or the United India Fire and General Insurance Company Limited;
- (f) "Corporation" means the General Insurance Corporation of India formed under section 9 of the Act;
- (g) "existing insurer" means an insurer other than an Indian Insurance Company whose Officers have become Officers of an Indian Insurance Company in which the undertaking of that insurer or that part of the undertaking to which the Officers relate has vested under sub-section (1) of section 7 of the Act;
- (h) "existing scale" means the scale in which pay was drawn by an Officer before the fixation of his pay in the new scale;
- (i) "gross emoluments" means the aggregate of basic pay, dearness allowance, house rent allowance, and city compensatory allowance.

(j) "new scale" means the scale of pay given in the First, Second and Third Schedule;

(k) "new terms" means—

(i) the scale of pay and other allowances as set out in the First Schedule, in respect of an officer appointed by the Central Government as Chairman or Managing Director or Chairman-cum-Managing Director;

(ii) the scale of pay, dearness allowance and other allowances as set out—

(a) in the Second Schedule, in respect of Officers categorised as General Managers or Assistant General Managers or Managers or Deputy Managers or Assistant Managers or Administrative Officers or Assistant Administrative Officers;

(b) in the Third Schedule, in respect of Officers categorised as Junior Officers;

(l) "Officer" means an employee appointed in India before the commencement of this Scheme and serving whether in India or outside India, in a position other than supervisory, clerical or subordinate position, and categorised as holding any of the posts referred to in the Schedules but does not include an employee declared as a member of the development staff by the Committee appointed by the Board;

(m) "present gross emoluments" means the gross emoluments drawn by an Officer in the existing scale, on the date opted by him under sub-paragraph (1) of paragraph 4, comprising of the present gross salary, house rent allowance, city compensatory allowance, qualification pay, hill station allowance, lunch allowance paid in cash and development allowance and includes other fixed cash allowances payable as on the 1st day of January, 1973, and any other allowance which the Board may, with the previous approval of the Central Government, determine;

(n) "present gross salary" means the gross salary drawn by an Officer in the existing scale, on the date opted by him under sub-paragraph (1) of paragraph 4, comprising of the basic pay, *ad hoc* special pay, personal pay, deputation allowance, dearness allowance or any other allowance which is in the nature of dearness allowance, and interim relief allowance;

(o) "Schedule" means a Schedule appended to this Scheme;

(p) "Special pay" means an addition of the nature of pay to the emoluments of a post or of an employee in consideration of—

(i) the specially arduous nature of duties; or

(ii) a specific addition to the work or responsibility.

**4. Pay and allowances of Officers.**—(1) The scales of pay and other allowances shall be as given in the first, second or the third schedule.

(2) Every Chairman and every Officer other than the Chairman shall, within ninety days from the date of commencement of this Scheme, by notice in writing addressed to the Central Government, or, as the case may be, the Chairman, through the head of his office, specify the date from which the new terms shall be made applicable to him:

Provided that—

(a) in the case of an Officer referred to in clause (i) of paragraph 2, the date shall be either from the 1st day of January, 1973, or any later date being a date not later than the date of the commencement of this Scheme;

(b) in the case of any officer referred to in clauses (ii) to (v) of that paragraph, the date shall be either the date of confirmation, or the date of absorption, of such Officer.

(3) (a) Where the date specified by an Officer under sub-paragraph (1) is a date earlier than the date of commencement of this Scheme, such Officer shall be paid for the period commencing from such date and ending with the day preceding the date of commencement of this Scheme, the difference between the new terms and the present gross emoluments.

(b) Where any portion of leave had been encashed by such Officer during the period referred to in clause (a), such Officer shall not be required to refund any amount realised by him by way of such encashment.

(c) Where during the period referred to in clause (a), such Officer was holding a post other than the one on which he was normally employed or was in receipt of any allowance of a transient nature, 'the present gross emoluments', which he would have drawn in the post on which he was normally employed shall alone be taken into account for the purpose of this paragraph and paragraph 6.

**5. Categorisation of certain Officers.**—(1) If any officers have not been categorised so far, the Committee appointed by the Board shall, within two months from the date of commencement of this Scheme complete assessment of the suitability of such officers, being categorised as Assistant Administrative Officers within the authorised cadre strength, and categorise and such Officers as Assistant Administrative Officers.

(2) Where an Officer is not categorised as Assistant Administrative Officer under sub-paragraph (1), he shall be categorised as Junior Officer.

**6. Method of fixation.**—(1) The pay of every Officer relating to the category in which he is initially placed shall be fixed in the new scale at a stage at which the total of the basic pay and dearness allowance admissible at that pay is equivalent to the total of the present gross salary drawn by such Officer on the date of fixation plus an amount of Rs. 50/- and if the amount so determined is not equivalent to the stage in the relevant scale, at the stage next above in the said relevant scale.

(2) If in determining the basic pay of an Officer under sub-paragraph (1), the amount exceeds the maximum of the scale of pay, the pay shall be fixed at the maximum, or if the amount is less than the minimum of the scale of pay, the pay shall be fixed at the minimum.

(3) (a) Where in respect of an Officer the gross emoluments determined as on the date of fixation are less than the present gross emoluments, he shall be paid as personal pay the lowest of the three alternatives specified below, namely:—

- (i) the amount by which his present gross emoluments exceed the gross emoluments so determined; or
- (ii) the amount by which the sum of Rs. 4,000 exceeds the gross emoluments so determined; or
- (iii) the amount of maximum personal pay for the appropriate category as specified in Item IV of the First Schedule or Item V of the Second Schedule or Item V of the Third Schedule.

(b) The personal pay shall not be reduced as and when increases in basic pay are granted after the date of fixation, but shall be subject to the condition that the total of basic pay, dearness allowance, house rent allowance, city compensatory allowance and personal pay of such an Officer shall, at no stage, exceed Rs. 4,000 per month. The personal pay shall be appropriately reduced, where necessary, to keep such total emoluments not to exceed Rs. 4,000 per month.

**7. Fixation of pay on promotion.**—Where an Officer whose pay has been fixed under this Scheme had been promoted before, or is promoted after, the commencement of this Scheme to a higher post and his basic pay in the promoted post is the same as the basic pay in the post held by him before promotion, then, the basic pay in the promoted post shall be fixed at the next higher stage in the new scale.

**8. Increments.**—(1) Increments in the new scale shall be due every calendar year on the first day of the month in which the last increment prior to the date of fixation of pay was granted in the existing scale or where no increment has been drawn on the first day of the month in which he completes twelve months of continuous service in the post held—whichever is earlier.

NOTE.—"Twelve months of continuous service" means a period of duty equal to twelve months excluding periods of leave during which no salary is admissible.

(2) Where the increment falls due on the date of fixation of pay, the new scale shall be made applicable on the basis of the salary of an Officer after the annual increment, if any drawn by such Officer in his existing scale.

9. **Provident Fund.**—Every Officer shall contribute to the Provident Fund at 8-1/3 per cent. of his basic pay, including personal pay, and special pay, if any, with an equal contribution by the Corporation or the Company, as the case may be.

10. **Payment of gratuity.**—(1) (a) Gratuity shall be payable to an Officer on the termination of his employment after he has rendered to the Corporation or the Company, or to both, continuous service (including continuous service with the insurer or the previous employer in whose service the Officer was working on the 31st day of December, 1972) for not less than five years—

- (i) on his superannuation; or
- (ii) on his retirement or resignation; or
- (iii) on his death or disablement due to accident or disease; or
- (iv) on termination of his service by the Corporation, or the Company; or
- (v) on his services being dispensed with owing to reduction of staff or re-organisation of establishment;

Provided that the completion of continuous service of five years shall not be necessary where the termination of the employment of any Officers is due to death or disablement.

*Explanation.*—For the purposes of this paragraph “disablement” means such disablement as incapacitates an employee for the work which he was capable of performing before the accident or disease resulting in such disablement.

(b) For every completed year of service or part thereof in excess of six months, the Officer shall be paid gratuity at the rates specified below, namely:—

<i>Number of completed years of service</i>	<i>Rate of gratuity for each completed year of service</i>
From 5 years to 11 years	50% of the basic pay last drawn
12 years	60% of the basic pay last drawn
13 years	70% of the basic pay last drawn
14 years	80% of the basic pay last drawn
15 years or more	100% of the basic pay last drawn.

Provided that where an employee to whom the General Insurance (Rationalisation and Revisions of Pay Scales and other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme, 1974, applies is promoted as an Officer on or after the 1st day of January, 1973, he shall not be paid gratuity at a sum less than that admissible to him under the said Scheme.

(2) Where the basic pay last drawn exceeds Rs. 2,500, the gratuity shall be determined on the basis of Rs. 2,500.

(3) The amount of gratuity payable to an Officer shall not exceed twenty months' basic salary last drawn or Rs. 30,000 whichever is less.

(4) Notwithstanding anything stated above the amount of gratuity payable under this paragraph shall in no case be less than that to which the Officer had become entitled as on the 31st December, under the conditions of service applicable to him and in force immediately before the 1st day of January, 1973.

(5) Subject to any lien the Corporation or the Company may have on the amount of gratuity admissible to an Officer, the Corporation or the Company, as the case may be, shall pay the Officer or his nominee or nominees or if no nomination is made or is subsisting, his heirs, the amount of gratuity admissible under this paragraph.

(6) Notwithstanding anything contained in the foregoing sub-paragraphs—

(a) where the penalty of dismissal is imposed on an Officer—

- (i) who has been convicted of an offence, committed in the course of his employment and which offence, in the opinion of the Corporation or the Company, as the case may be involves moral turpitude, or

- (ii) for any act involving violence against the management or other Officers or employees, or any riotous or disorderly behaviour in or near the place of employment,

the gratuity payable to him shall stand wholly forfeited; and

- (b) where the penalty of compulsory retirement, removal from service, or dismissal is imposed on an Officer for any act involving the Corporation or the Company, or both, in financial loss, the gratuity payable to him shall stand forfeited to the extent of such loss.

**11. Protection of accrued pension.**—(1) Nothing contained in this Scheme shall affect the payment of any pension including family pension or superannuation benefits accrued to any Officer in accordance with the pension or superannuation Scheme as in force before the 1st day of January, 1973.

(2) (a) The amount payable under sub-paragraph (1) shall be determined on the salary drawn on 1st December, 1972 in the existing scale and on the basis of number of years of continuous service rendered, as if he had retired before the 1st day of January, 1973.

(b) The amount determined under clause (a) shall be payable to the Officer on his retirement or on his ceasing to be in service, pension to commence with effect from the date from which it would have ordinarily commenced in accordance with the relevant pension or superannuation scheme.

**12. Transfers.**—The Chairman-cum-Managing Director of a company may at any time transfer any Officer from one Department of the Company to another Department of that Company or from one Office of the Company to another Office of that Company in the same place or any other place.

**13. Power to vary Dearness Allowance.**—If the Central Government considers it necessary or expedient so to do, it may, by order, vary the amount of Dearness Allowance specified in column (7) of the Table below Item II in the Second Schedule or in column (7) of the Table below Item II in the Third Schedule and every such order shall be deemed to be a Scheme amending this Scheme.

**14. Interpretation.**—Where any doubt or difficulty arises as to the interpretation of any of the provisions of this Scheme, it shall be referred to the Central Government for decision and the decision of the Central Government thereon shall be binding on the person concerned.

**15. Power to relax.**—Where the Board is satisfied that the operation of any of the provisions of this Scheme will cause undue hardship in any particular case, it may, by order and for reasons to be recorded in writing, dispense with or relax the requirements of the provision to such extent and subject to such exceptions and conditions as it may consider necessary for dealing with the case in a just and equitable manner.

**16. Other benefits.**—No Officer shall be entitled to any benefit not arising out of this Scheme, or any Scheme which may be framed by the Corporation or a Company.

**17. Overriding effect.**—The provisions of this Scheme shall have effect notwithstanding anything to the contrary contained in any terms of appointment, agreement, award or other instrument for the time being in force.

#### FIRST SCHEDULE

(See paragraph 3 and 6)

##### I.—Pay Scales (Basic Pay)——

###### (1) Chairman

Rs. 3500—125—4000

###### (2) Managing Director or Chairman-cum-Managing Director

Rs. 3000—125—3500

##### II.—House Rent Allowance——

Rs. 300 per month

##### III.—City Compensatory Allowance——

Rs. 75 per month

##### IV.—Maximum personal pay——

Rs. 700 per month.

## SECOND SCHEDULE

(See paragraphs 3, 6 and 13)

## I—Pay Scales (Basic Pay)—

- (1) General Manager  
Rs. 2500—125—3000
- (2) Assistant General Manager  
Rs. 2000—125—2500
- (3) Manager  
Rs. 1600—100—2000—125—2250
- (4) Deputy Manager  
Rs. 1250—50—1300—75—1600—100—2000
- (5) Assistant Manager  
Rs. 1000—50—1300—75—1675
- (6) Administrative Officer  
Rs. 770—40—1050—50—1300
- (7) Assistant Administrative Officer  
Rs. 530—40—1050.

## II—Dearness Allowance—

The dearness allowance payable to an officer under this Schedule shall be as given in the Table below.

THE TABLE

*Dearness Allowance Payable During the Period From*

Basic Salary	1-2-73 to 31-7-73	1-8-73 to 31-10-73	1-11-73 to 31-1-74	1-2-74 to 30-4-74	1-5-74 to 31-7-74	1-8-74 onwards
(1)	(2)	(3)	(4)	(5)	(6)	(7)
530 . . . . .	370	430	490	550	580	670
570 . . . . .	380	440	500	560	590	680
610 . . . . .	430	510	590	670	710	830
650 . . . . .	430	510	590	670	710	830
690 . . . . .	440	520	600	680	720	840
730 . . . . .	460	540	620	700	740	860
770 . . . . .	450	530	610	690	730	850
810 . . . . .	450	490	610	690	730	850
850 . . . . .	450	490	610	690	730	850
890 . . . . .	450	490	610	690	730	850
930 . . . . .	435	475	595	675	715	835
970 . . . . .	435	475	595	675	715	835
1000 . . . . .	435	475	595	675	715	835
1010 . . . . .	420	460	580	660	700	820
1050 . . . . .	420	460	580	660	700	820
1100 . . . . .	420	460	580	660	700	820
1150 . . . . .	405	445	565	645	685	805
1200 . . . . .	405	445	565	645	685	805
1250 . . . . .	390	430	550	630	670	790
1300 . . . . .	340	430	550	580	670	790
1375 . . . . .	285	405	525	525	645	765
1450 . . . . .	275	395	515	515	635	755
1525 . . . . .	275	395	515	515	635	755
1600 . . . . .	275	395	515	515	635	755
1675 . . . . .	230	350	470	470	590	710
1700 . . . . .	190	285	405	405	525	645
1800 . . . . .	190	190	305	305	425	545
1900 . . . . .	150	150	165	165	285	405
2000 . . . . .	150	150	150	150	185	385
2125 . . . . .	100	100	100	100	100	100
2250 . . . . .	100	100	100	100	100	100
OVER 2250 NIL						



## III—House Rent Allowance—

The House Rent Allowance shall be payable at the following rates per month:

- (a) For basic pay upto Rs. 750/- ..... 15% of basic pay  
 (b) For basic pay in excess of Rs. 750/-, ... 10% of such excess;

Provided, however, that the maximum house rent allowance payable to any officer shall not exceed Rs. 300 per month, and the minimum shall not be less than Rs. 75 per month.

## IV—City Compensatory Allowance—

The City Compensatory Allowance shall be payable at the following rates:

For all Officers posted to Offices Stationed at	Rate of City Compensatory Allowance	
(a) Bombay, Calcutta, Hyderabad, Madras and New Delhi	8% of basic pay subject to a maximum of Rs. 75 per month.	Effective from 1-1-73.
(b) (i) Ahmedabad, Bangalore	6% of basic pay subject to a maximum of Rs. 50 per month.	Effective during the period from 1-1-73 to 31-10-73.
(ii) Ahmedabad, Bangalore and Kalyani (Calcutta)	8% of basic pay subject to a maximum of Rs. 75 per month.	Effective from 1-11-73.
(c) Kanpur, Lucknow, Nagpur and Poona.	6% of basic pay subject to a maximum of Rs. 50 per month.	Effective from 1-1-73.
(d) Agra, Allahabad, Amritsar, Baroda, Cochin, Coimbatore, Indore, Jabalpur, Jaipur, Madurai, Patna, Sholapur, Srinagar, Surat, Tirvandrum, Varanasi.	Rs. 10 upto a basic pay of Rs. 740.	Effective from 1-1-73.
(e) Dhandad, Gwalior, Jamshedpur, Ludhiana, Salem, Sindri, Tiruchirappalli.	Rs. 10 upto a basic pay of Rs. 740.	Effective from 1-11-73.

## V—Maximum Personal Pay—

The personal pay referred to in sub-clause (iii) of clause (a) of sub-paragraph (3) of paragraph 6 shall be limited to a maximum amount as under:

Category of officers	Maximum Personal Pay
(a) General Manager	Rs. 700 per month
(b) Assistant General Manager	Rs. 700 per month
(c) Manager	Rs. 500 per month
(d) Deputy Manager	Rs. 500 per month
(e) Assistant Manager	Rs. 500 per month
(f) Administrative Officer	Rs. 300 per month
(g) Assistant Administrative Officer	Rs. 300 per month.

## THIRD SCHEDULE

(See paragraphs 3, 6 and 13)

## I—Pay Scales (Basic Pay)—

Junior Officer

Rs. 460—35—530—40—890



II.—*Dearness Allowance—*

The dearness allowance payable under this Schedule shall be as given in the Table below.

THE TABLE

*Dearness Allowance payable during the period from*

Basic Salary	1-2-73 to 31-7-73	1-8-73 to 31-10-73	1-11-73 to 31-1-74	1-2-74 to 30-4-74	1-5-74 to 31-7-74	1-8-74 and onwards
(1)	(2)	(3)	(4)	(5)	(6)	(7)
460	321	373	425	477	503	582
495	346	402	458	514	542	626
530	370	430	490	550	580	670
570	380	440	500	560	590	680
610	430	510	590	670	710	830
650	430	510	590	670	710	830
690	440	520	600	680	720	840
730	460	540	620	700	740	860
770	450	530	610	690	730	850
810	450	490	610	690	730	850
850	450	490	610	690	730	850
890	450	490	610	690	730	850

III.—*House Rent Allowance—*

The House Rent Allowance shall be payable at the following rates per month:

- (a) For basic pay upto Rs. 750.....15% of basic pay
- (b) For basic pay in excess of Rs.750.....10% of such excess.

Provided, however, that the maximum house rent allowance payable to any Officers shall not exceed Rs. 300 per month.

IV.—*City Compensatory Allowance—*

The City Compensatory Allowance shall be payable at the following rates:

For all Officers posted to offices stationed at	Rate of City Compensatory Allowance
(a) Bombay, Calcutta, Hyderabad, Madras and New Delhi.	8% of basic pay subject to a maximum of Rs. 75 p.m. } Effective from 1-1-73.
(b) (i) Ahmedabad, Bangalore	6% of basic pay subject to a maximum of Rs. 50 p.m. } Effective during the period from 1-1-73 to 31-10-73.
(ii) Ahmedabad, Bangalore and Kalyani (Calcutta).	8% of basic pay subject to a maximum of Rs. 75 p.m. } Effective from 1-11-73.
(c) Kumpur, Lucknow, Nagpur and Poona.	6% of basic pay subject to a maximum of Rs. 50 p.m. } Effective from 1-1-73.
(d) Agra, Allahabad, Amritsar, Baroda, Cochin, Coimbatore, Indore, Jabalpur, Jaipur, Madurai, Patna, Sholapur, Srinagar, Surat, Trivandrum, Varanasi.	Rs. 10 upto a basic pay of Rs. 740. } Effective from 1-1-73.
(e) Dhanbad, Gwalior, Jamshedpur, Ludhiana, Salem, Sindri, Trichirapalli.	Rs. 10 upto a basic pay of Rs. 740. } Effective from 1-11-73.

*V—Maximum Personal Pay—*

The personal pay referred to in sub-clause (iii) of clause (a) of sub-paragraph 3 of paragraph 6 shall be limited to a maximum amount as under:—

<i>Category of Officers</i>	<i>Maximum personal pay.</i>
Junior Officer	Rs. 300 per month.

[No. F. 65(5)—Ins.III/7/75]

G.H. DAMLE,

Controller of Insurance & *Ex-Officio* Jr. Secy.